

Downs Oil and Gas Research

1424 West Paige Dr.
Hobbs, New Mexico 88240

(505) 392-7121

May 16, 1997

CERTIFIED MAIL - RETURN RECEIPT

B. Bernard Lankford

P.O. Box 238

Midland, TX 79702

RE: NON-STANDARD GAS PRORATION UNIT
SEAY EXPLORATION, INC.
C.C. CAGLE "C" #1 (API #30-025-11935)
Unit D (990/N & W) Sec. 3, T26S, R37E, Lea County, N.M.
JALMAT-TANSIL-YATES-SR GAS POOL

Gentlemen:

Seay Exploration, Inc. seeks administrative approval for the reduction of their 320-acre Jalmat gas proration unit consisting of the N/2 of Section 3, T26S, R37E, approved by R-957, to a 160-acre Jalmat Gas proration unit consisting of the NW/4 of Section 3, T26S, R37E, for their C.C. Cagle C #1.

If you have no objection to this proposal, please sign and return one copy of this WAIVER in the enclosed self-addressed stamped envelope to Seay Exploration, Inc. Attn: Steve Snelson, P.O. Box 8534, Midland, TX 79708.

Sincerely,

Evelyn F. Downs, Agent for
SEAY EXPLORATION, INC.

APPROVED: B. Bernard Lankford

By: P.O. Box 238

Position Midland, TX 79702

Date: